

• OLL file
• House Supplement
• Admins and Budget
Proposals

OLL 85-0363/2
20 February 1985

MEMORANDUM FOR: See Distribution

VIA: Acting Chief, Liaison Division, OLL X

FROM:
Liaison Division, OLL

SUBJECT: House Plans for Federal Retirement

1. The House continues to view Federal retirement (the existing Civil Service plan and a supplemental plan for new hires) as elements of the total Federal compensation package. Therefore, movement toward the design of a retirement package is slow.

2. The first order of business in the House is to try and block Administration proposals affecting Federal employees and retirees. To this end, Congresswoman Mary R. Oaker (D., OH), Chair of the Subcommittee on Compensation and Employee Benefits of the House Post Office and Civil Service Committee, will hold an oversight hearing on the President's budget proposals on 26 February. Witnesses invited to the hearing include: Mr. David A. Stockman, Director of the Office of Management and Budget; Dr. Donald J. Devine, Director of the Office of Personnel Management; Mr. Martin Dugan, Chairman of the Advisory Committee on Federal Pay; Ms. Janet Norwood, Commissioner of the Bureau of Labor Statistics; and Representatives of Federal Labor, Postal, and Retiree Organizations.

3. After the hearings, the Post Office and Civil Service Committee will likely recommend that all of the Administration's proposals (including changes to the Civil Service Retirement age, COLA, contribution and benefit calculation) not be approved. The Committee membership has a pro-Federal employee orientation and many members are already on record as opposing the Administration's proposals.

4. This Committee's recommendations will be reviewed by the House Budget Committee which, in the past, ignored Administration efforts to cut Federal benefits. Given the mood in Congress to cut the Federal deficit, however, compromises can be expected; the most likely changes are a COLA freeze, high 3 to high 5, and an increase in employee contributions from 7 to 9 percent. There is a growing bi-partisan move in the House to stop all other changes at least for the foreseeable future.

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I. EXEMPT OR HAVE INDEPENDENT AUTHORITY BUT FOLLOW TITLE 5

Although exempt from the Classification Act of 1949, as amended (see 5 U.S.C. § 5102 (a)(1)(vi)), the Agency follows with only minor variances * the position classification principles of Ch. 51 of Title 5, U.S. Code; and the General Schedule pay rates ** and rules for step increases under Ch. 53 of Title 5.

Although exempt from the Title 5 provisions concerning prevailing rate employees (see 5 U.S.C. § 5342(a)(1)(E)), the Agency follows those principles.

Although not covered by the provisions of Title 5 pertaining to the Senior Executive Service (see 5 U.S.C. § 3132(a)(1)(B)), the Agency's Senior Intelligence Service adheres to the SES rules concerning the ES-4 pay cap, the ES-1 ceiling on aggregate fiscal-year compensation, amounts of and criteria for performance awards and rank stipends, sabbaticals, etc.

Although exempt from the Title 5 rules concerning performance ratings (see 5 U.S.C. § 4301(1)(v)), the Agency essentially abides by the general Executive-agency-wide principles and guidelines specified in Ch. 43 of Title 5.

Although the Agency possesses independent statutory authority under Section 8 of the CIA Act to craft its own incentive awards program, nonetheless, the Agency administers such awards in accordance with Ch. 45 of Title 5, U.S. Code.***

The Agency, while not subject to the Inspector General Act of 1978, as amended, has a vigorous and active Inspector General established by Agency regulation.

Although "nothing" in the Federal Property and Administrative Services Act of 1949, as amended, "impair(s) or affect(s) any authority of the CIA" (see 40 U.S.C. § 474(17)), the Agency's rules pertaining to procurement and disposition of property closely track the general Government-wide practices, with divergences only as necessitated by operational or similar intelligence factors.

Notwithstanding the Agency's independent allowances and travel authority in Section 4(b) of the CIA Act, the Agency adheres to the provisions of Subchapter 2 of Ch. 57, Title 5 concerning domestic travel and domestic relocation.****

* e.g., dual tracks for analysts, and the 'magnet' principle for secretaries.

** GSO is a divergence, ^{but covered w/ FSO} as is pay banding experiment.

*** Language Incentive awards are under Section 8.

**** But note MIP and ATC.

While Section 8 of the CIA Act authorizes the Agency to fashion a leave system separate and distinct from that established pursuant to the Annual and Sick Leave Act of 1951, as amended, the CIA leave system generally is on all fours with the provisions of that Act.*****

Although Section 8 vests the Agency with broad independent pay authority, the Agency follows Title 5 law with respect to overtime and premium pays under Ch. 55 of that Title.

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***** has no Title 5 counterpart or equivalent.

II. USES OF SPECIAL AUTHORITIES AND/OR EXEMPTIONS

- = Unlike the rest of the Executive agencies, the Agency pays Sunday premium pay to part-time employees in certain narrowly circumscribed situations when and as necessary to ensure the performance of time-sensitive and critical intelligence activities [Section 8].
- = The Agency is exempt from the "merit pay" provisions in Ch. 54 of Title 5, and has not implemented or adopted any identical system as a matter of policy.
- = The Agency uses its independent authority to designate shortage-category EODs entitled to EOD travel and HHE shipment at official expense, without requirement for OPM approval [Section 4b].
- = The Agency's special scientific and engineering pay schedules do not follow dollar-for-dollar the OPM schedules under 5 U.S.C. § 5303 [Exemption; Section 8].
- = The Agency pays or lease-breaking and residence transaction expenses incident to most foreign-to-domestic and domestic-to-foreign PCS transfers; under Title 5, such expenses are reimbursable only for domestic-domestic transfers [Section 4b].
- = The Agency may provide thirty days' special leave and related travel for employees overseas subjected as a result of official status to unusual physical or psychological abuse, who are PNG'ed or whose return is determined to be necessary by Headquarters [Section 4b].
- = The Agency has mobility Incentive Pay and Addition to Compensation. [Section 8...].
- = Like the Foreign Service but unlike other agencies, the Agency can pay for domestic retirement relocation moves [Section 8—Section 4b].
- = A pay banding experiment is being conducted [Section 8].

*Comparison w/ Budget
Proposal*

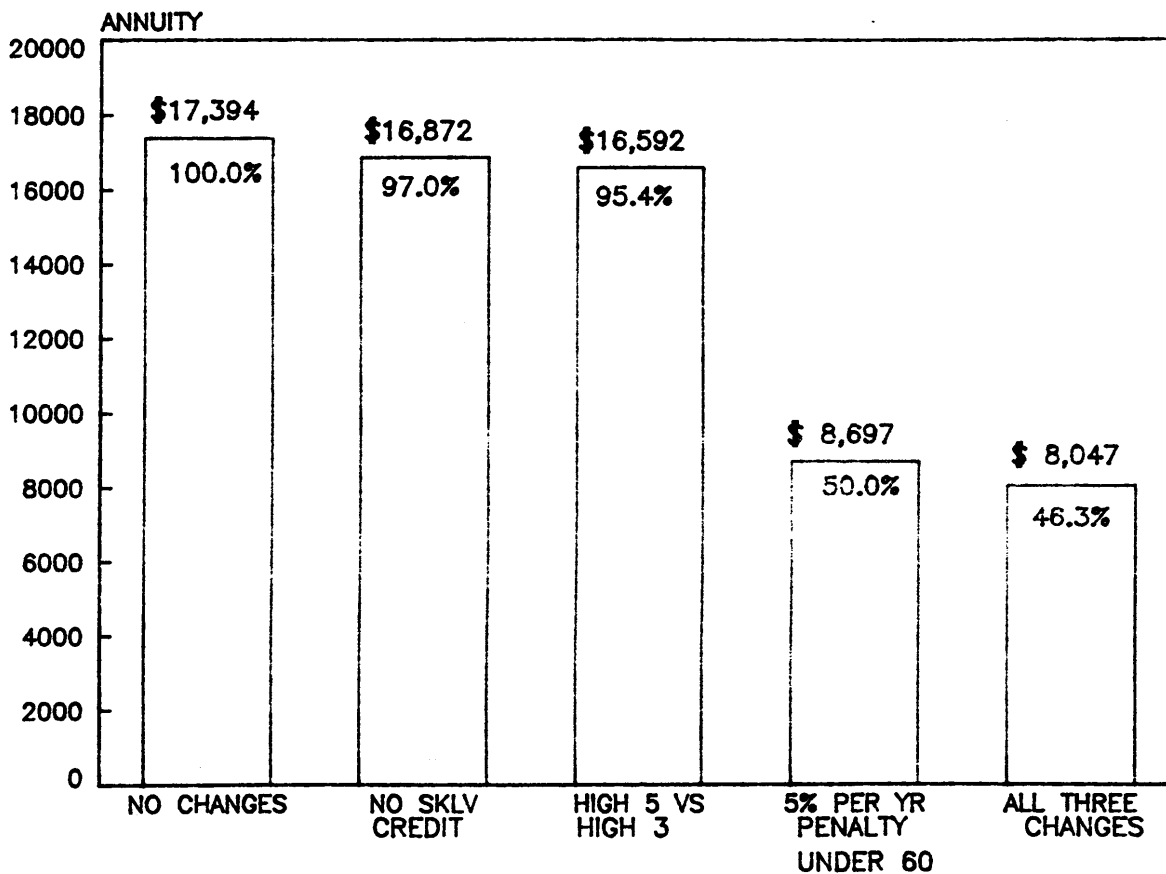
CIARDS 9, 15 & SES

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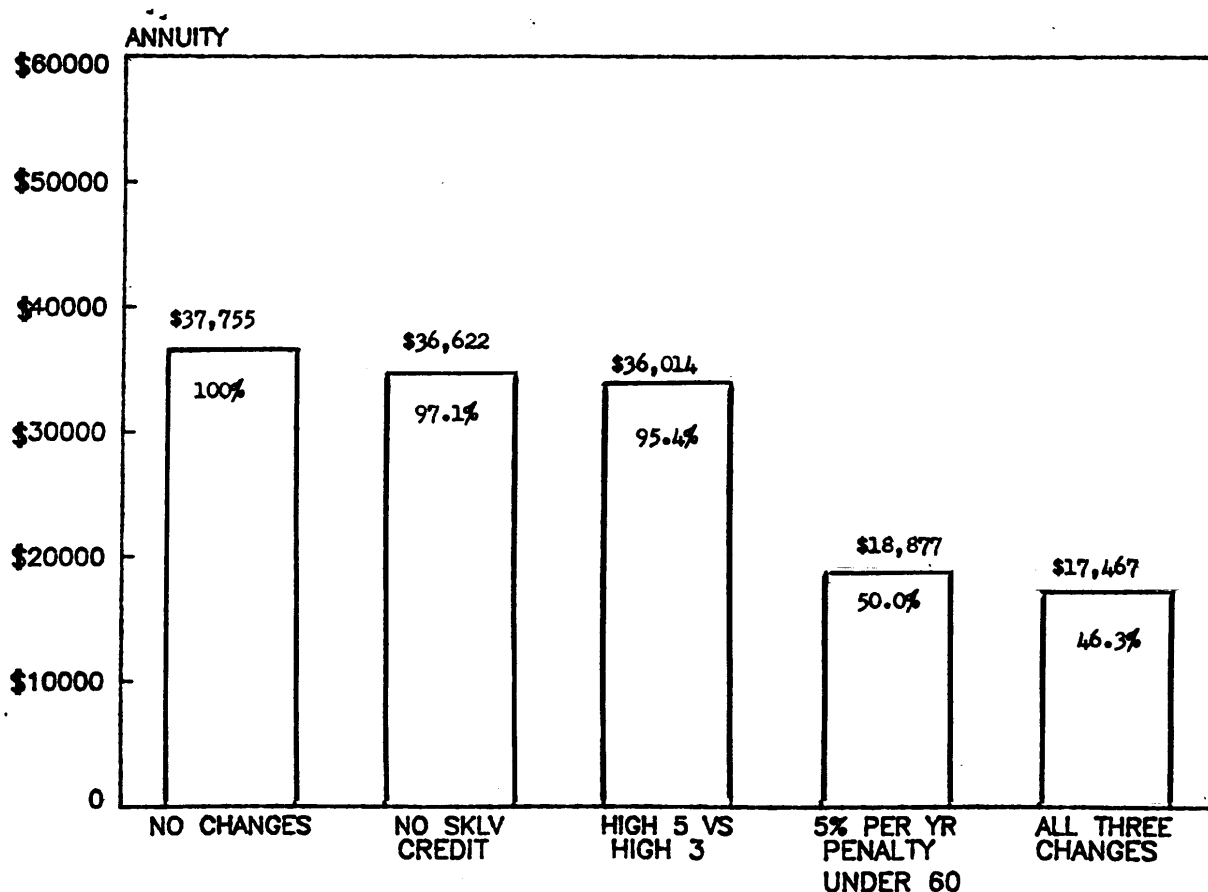
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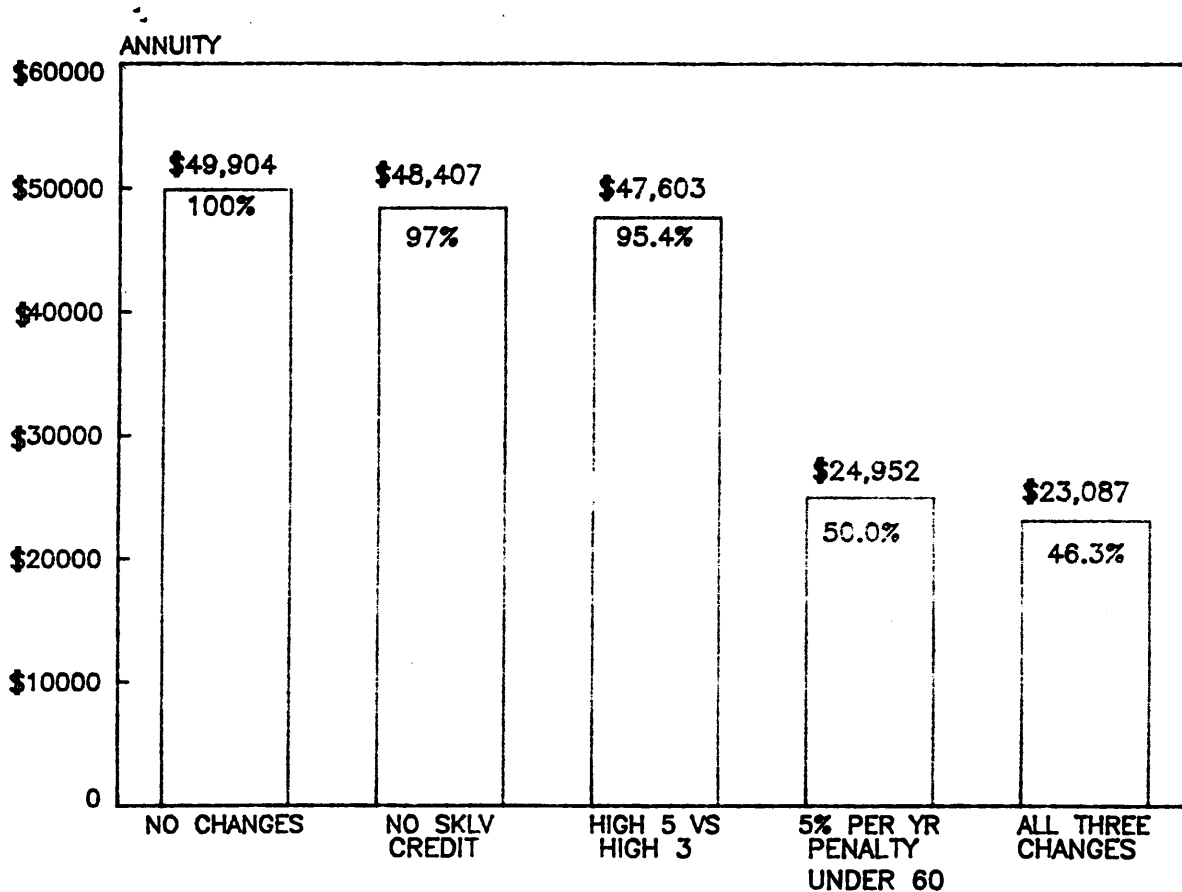
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CURRENT AGE 40 WITH 15 YEARS SERVICE WHO WILL RETIRE AT
AGE 50 WITH 25 YEARS SERVICE



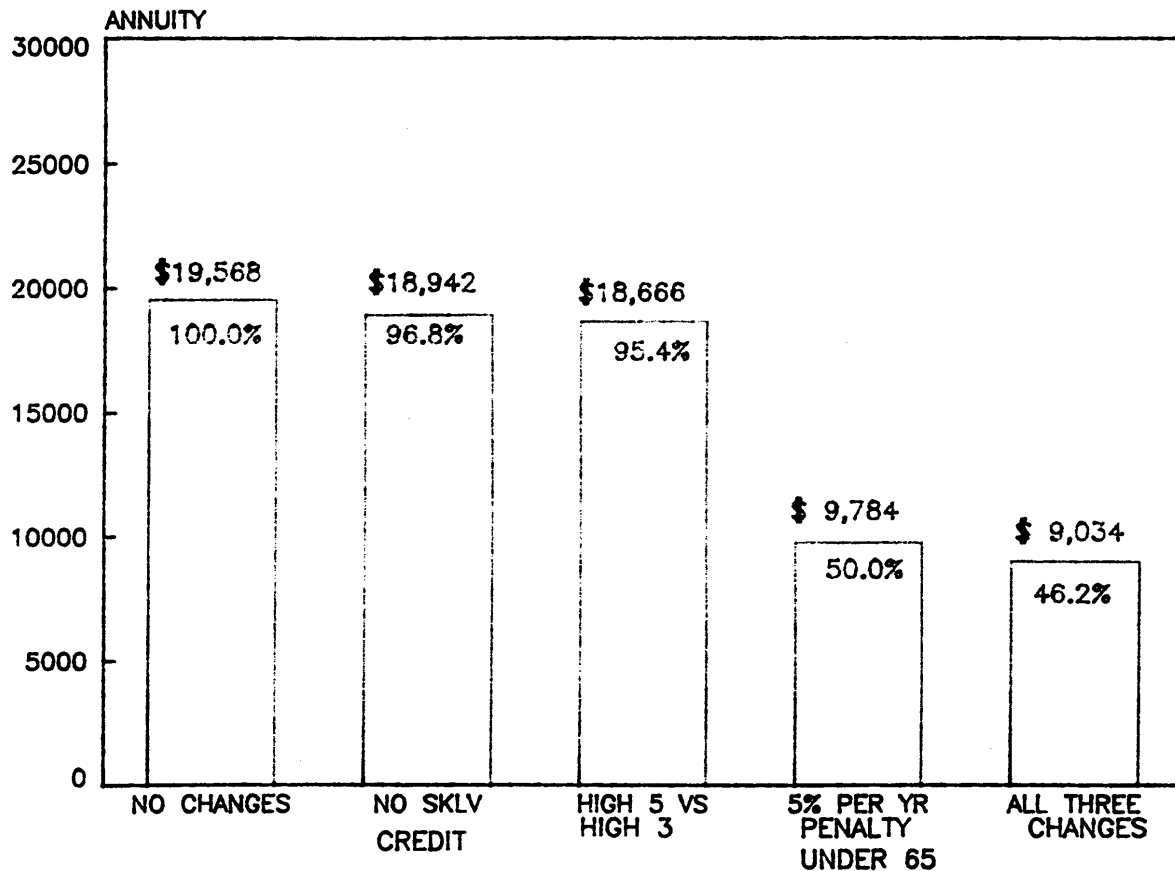
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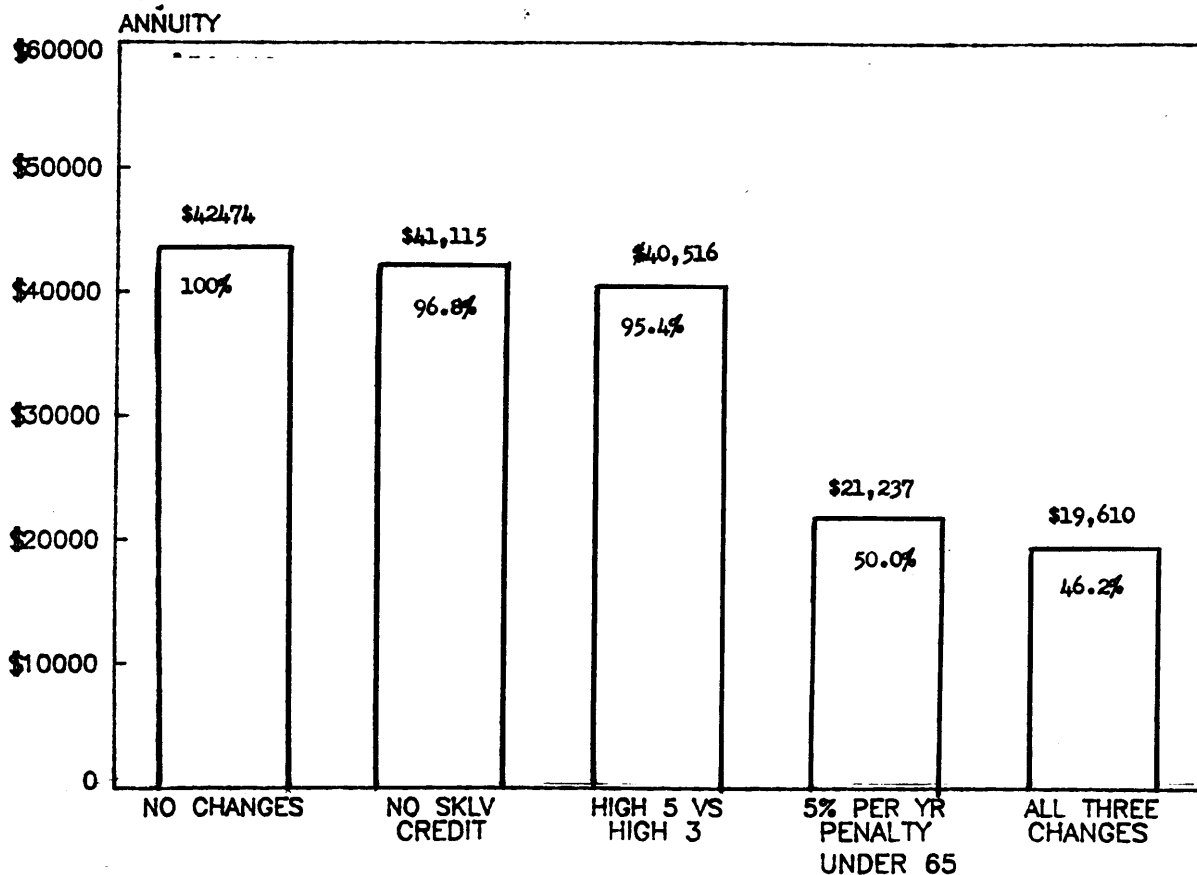
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CURRENT AGE 40 WITH 15 YEARS SERVICE WHO WILL RETIRE AT
AGE 50 WITH 25 YEARS SERVICE



CSRS ANNUITY FOR A GS-9 EMPLOYEE (PROJECTED TO 1995)
CURRENT AGE 45 WITH 20 YEARS SERVICE WHO WILL RETIRE AT
AGE 55 WITH 30 YEARS SERVICE



CSRS ANNUITY FOR A GS-15 EMPLOYEE (PROJECTED TO 1995)
CURRENT AGE 45 WITH 20 YEARS SERVICE WHO WILL RETIRE AT
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